

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant  
Ameriprise Financial Services, Inc.

Case Number: 18-00515

vs.

Respondent  
Matthew M. Beaver

Hearing Site: St. Louis, Missouri

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Nature of the Dispute: Member vs. Associated Person

**REPRESENTATION OF PARTIES**

For Claimant Ameriprise Financial Services, Inc. ("Claimant"): Scott A. La Porta, Esq. and Ryan S. Nichols, Esq., Shumaker, Loop & Kendrick, LLP, Sarasota, Florida.

Respondent Matthew M. Beaver ("Respondent") was represented by Stephany D. McLaughlin, Esq., Eccleston Law, LLC, Chicago, Illinois, until December 17, 2019. Thereafter Respondent appeared pro se.

**CASE INFORMATION**

Statement of Claim filed on or about: February 8, 2018.

Statement of Answer to Counterclaim filed on or about: May 23, 2018.

Statement of Answer to Second Amended Counterclaim filed on or about: June 19, 2018.

Claimant signed the Submission Agreement: February 7, 2018.

Statement of Answer and Counterclaim filed on or about: May 4, 2018.

Amended Statement of Answer and Counterclaim filed on or about: May 31, 2018.

Second Amended Statement of Answer and Counterclaim filed on or about: June 12, 2018.

Respondent signed the Submission Agreement: May 4, 2018.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: breach of promissory notes and conversion of loan funds. The causes of action relate to Claimant's allegation that Respondent executed two promissory notes, dated July 8, 2015 ("Note #1") and March 23, 2016 ("Note #2") (collectively "Notes"), which became immediately due and payable when Respondent's employment with Claimant ended on January 3, 2018.

Unless specifically admitted in the Statement of Answer and Counterclaim, Amended Statement of Answer and Counterclaim, and Second Amended Statement of Answer and Counterclaim, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. Respondent asserted the following causes of action: wrongful termination; defamation; breach of contract; breach of the implied covenant of good faith and fair dealing; negligence; failure to supervise; tortious interference with contract, business expectancies and/or relationships; unjust enrichment; unfair competition; and violation of Missouri wage laws. The causes of action relate to Respondent's allegation that Claimant's wrongful termination of Respondent and the statements made in the Form U5 filed by Claimant, as part of his registration records maintained by the Central Registration Depository ("CRD"), caused Respondent to suffer great financial loss and to be unable to find comparable employment in the financial industry.

Unless specifically admitted in the Statement of Answer to Counterclaim and Statement of Answer to Second Amended Counterclaim, Claimant denied Respondent's allegations and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested an award of \$644,440.58 for the principal owed as of January 3, 2018, which includes, without limitation, full payment of the balances of Note #1 and Note #2 including fees and costs; attorneys' fees, including costs, filing fees, forum fees, and hearing deposits; pre-award interest in the additional amount of 10% per annum on the outstanding balance, equaling \$176.2519 per day, until the date of the Award; post-award interest, starting 30 days from the date of the Award until paid, at the maximum rate allowable by law; permanent injunctive relief in the form of an order directing Respondent to make a legally enforceable request to any new or subsequent employer to disgorge any bonuses to Claimant in order to repay all amounts owed to Claimant by Respondent; and such other and further relief as the Panel deems just and appropriate.

In the Statement of Answer and Counterclaim, Respondent requested that Claimant's Statement of Claim be dismissed in its entirety with prejudice; that the Panel order expungement and modification of the Form U5 filed by Claimant; that Respondent be awarded compensatory damages in an amount to be proven at hearing, but expected to be in excess of \$500,000.00; that Respondent be awarded punitive damages; that Respondent's forum fees be assessed against Claimant; that Respondent's attorneys' fees and costs incurred in this matter be paid by Claimant; and for such other and further relief that that is just and equitable.

In the Amended Statement of Answer and Counterclaim and Second Amended Statement of Answer and Counterclaim, Respondent requested the same relief as in the Statement of Answer and Counterclaim, but requested compensatory damages of no less than \$1,250,000.00.

In the Statement of Answer to Counterclaim and Statement of Answer to Second Amended Counterclaim, Claimant did not request any additional relief.

At the hearing, Claimant's relief request included the following specific amounts: \$644,440.58 for compensatory damages, \$137,009.78 for pre-award interest, and \$106,072.10 for attorneys' fees and costs. Respondent requested compensatory damages in the amount of \$1,485,000.00.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

The parties present at the hearing have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant the sum of \$534,699.21 in compensatory damages for Note #1.
2. Respondent is liable for and shall pay to Claimant pre-award interest on the above-stated sum in the amount of \$22,853.20.
3. Respondent is liable for and shall pay to Claimant post-award interest, on the above-stated sum in #1 above, at the rate of 2.01% per annum from the date of this Award through and including the date this Award is paid in full.
4. Respondent is liable for and shall pay to Claimant the sum of \$109,741.37 in compensatory damages for Note #2.
5. Respondent is liable for and shall pay to Claimant pre-award interest on the above-stated sum in the amount of \$4,011.92.
6. Respondent is liable for and shall pay to Claimant post-award interest, on the above-stated sum in #5 above, at the rate of 1.72% per annum from the date of this Award through and including the date this Award is paid in full.
7. Respondent is liable for and shall pay to Claimant the sum of \$75,000.00 in attorneys' fees pursuant to the terms of the Notes.
8. Respondent is liable for and shall pay to Claimant the sum of \$1,250.00 in costs as reimbursement for the non-refundable portion of the filing fee.
9. The Arbitrator recommends the expungement of the "Yes" answer to Question 7F(1) on the Form U5 filed by Ameriprise Financial Services, LLC on January 17, 2018 for Respondent Matthew Michael Beaver (CRD Number 5592864) and maintained by

the CRD. The answer should be changed to “No” and the accompanying Termination Disclosure Reporting Page should be deleted in its entirety.

These recommendations apply to any subsequent disclosures concerning this event, including, but not limited to, the Form U4 filed by Grit Wealth Management on March 28, 2018. The “Yes” answer to Question 14J should be changed to “No” and the accompanying Termination Disclosure Reporting Page should be deleted in its entirety.

The Arbitrator recommends expungement based on the defamatory nature of the information. The registration records are not automatically amended to include the changes indicated above. Respondent Matthew Michael Beaver must forward a copy of this Award to FINRA’s Registration and Disclosure Department for review.

10. Any and all claims for relief, including injunctive relief, not specifically addressed herein are denied.

### **FEES**

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

#### **Filing Fees**

FINRA Office of Dispute Resolution assessed a filing fee\* for each claim:

Initial Claim Filing Fee	= \$ 2,550.00
Counterclaim Filing Fee	= \$ 2,000.00

*\*The filing fee is made up of a non-refundable and a refundable portion.*

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Claimant is assessed the following:

Member Surcharge	= \$ 2,475.00
Member Process Fee	= \$ 6,175.00

#### **Discovery-Related Motion Fees**

Fees apply for each decision rendered on a discovery-related motion.

Two (2) decisions on discovery-related motions on the papers with one (1) arbitrator @ \$200.00/decision	= \$ 400.00
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Claimant submitted one (1) discovery-related motion.  
Respondent submitted one (1) discovery-related motion.

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Total Discovery-Related Motion Fees	= \$ 400.00
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The Panel has assessed \$100.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$300.00 of the discovery-related motion fees to Respondent.

**Hearing Session Fees and Assessments**

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,400.00/session	= \$ 1,400.00
Pre-hearing Conference: July 27, 2018	1 session

Four (4) hearing sessions @ \$1,400.00/session	= \$ 5,600.00
Hearing Dates: February 18, 2020	1 session
February 19, 2020	2 sessions
February 20, 2020	1 session

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Total Hearing Session Fees	= \$ 7,000.00
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The Panel has assessed \$700.00 of the hearing session fees to Claimant.

The Panel has assessed \$6,300.00 of the hearing session fees to Respondent.

All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

**ARBITRATION PANEL**

David F. Barrett	-	Public Arbitrator, Presiding Chairperson
Stuart W. Smith	-	Public Arbitrator
Stephen Wayne Medlin	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument, which is my award.

**Concurring Arbitrators' Signatures**

***David F. Barrett***

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David F. Barrett  
Public Arbitrator, Presiding Chairperson

***03/13/2020***

\_\_\_\_\_  
Signature Date

***Stuart W. Smith***

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Stuart W. Smith  
Public Arbitrator

***03/12/2020***

\_\_\_\_\_  
Signature Date

***Stephen Wayne Medlin***

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Stephen Wayne Medlin  
Non-Public Arbitrator

***03/12/2020***

\_\_\_\_\_  
Signature Date

March 13, 2020

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Date of Service (For FINRA Office of Dispute Resolution office use only)